

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

RULE 5.300 ENERGY EFFICIENCY CHARGE

5.301 Applicability

This rule shall govern the calculation of the Energy Efficiency Charge rates, pursuant to 30 V.S.A. § 209(d)(3). This rule does not address the annual budget for the Energy Efficiency Utility programs, which shall be determined in a separate Commission process.

5.302 For the purposes of this rule, the following definitions shall apply. Additional defined terms are found in Section 5.305(D).

- (A) **Applicable Gross Receipts Taxes** means the applicable taxes established under 30 V.S.A. § 22 to fund the Commission and the Department and under 33 V.S.A. § 2503 to fund low-income weatherization.
- (B) **BED** means the City of Burlington Electric Department.
- (C) **Bill** means that portion of a customer's invoice from a distribution utility comprised of charges for retail electric or natural gas service (whether pursuant to a tariff or a special contract), and any applicable surcharges.
- (D) **Ccf** means centum cubic feet.
- (E) **Commercial Customers** means all non-residential electricity customers using less than 1000 kW of electrical demand service per month for all months during the preceding calendar year or for the most recent preceding 12-month period.
- (F) **Commission** means the Vermont Public Utility Commission.
- (G) **Customer Credit Program** means a particular set of energy efficiency services offered by an EEU, referred to as the Customer Credit Program or Customer Credit Initiative that was originally approved by the Commission in its September 30, 1999, Order in Docket 5980 and subsequently modified, and as may be further modified in the future.
- (H) **Department** means the Vermont Department of Public Service.
- (I) **Distribution Utility** means any company, as defined in 30 V.S.A. § 201(a), subject to regulation by the Commission, that sells electricity or natural gas to retail customers in Vermont.

- (J) **EEU** means an energy efficiency utility appointed by the Commission pursuant to 30 V.S.A. § 209(d)(2).
- (K) **EEU Fund** means the Energy Efficiency Utility Fund, which includes funds collected via the Energy Efficiency Charge, pursuant to 30 V.S.A. § 209(d)(3).
- (L) **Electric EEC** means the electric Energy Efficiency Charge.
- (M) **Energy Efficiency Charge** means the charge on retail customers' electric and natural gas bills, pursuant to 30 V.S.A. § 209(d)(3), the proceeds from which are used to fund energy efficiency services delivered in multiple electric and natural gas distribution utility service territories.
- (N) **Fixed Monthly EEC** means a flat monthly Electric EEC for net-metered customers who do not have the equipment necessary to determine their gross electric consumption.
- (O) **Generation Displacement** means the displacement of a customer's own generation of electricity by electricity supplied by an electric distribution utility, where otherwise the customer could meet its needs through its own existing generation.
- (P) **Industrial Customers** means all non-residential electricity customers using 1,000 kW or more of electrical demand service per month for any month during the preceding calendar year or for the most recent preceding 12-month period.
- (Q) **Natural Gas EEC** means the natural gas Energy Efficiency Charge.
- (R) **Natural Gas EEU Fund** means the funds collected via the Natural Gas EEC and administered pursuant to 30 V.S.A. § 209(d)(3).
- (S) **Rate Revenues** means the revenues a distribution utility receives from its retail electric or natural gas sales.
- (T) **Residential Customers** means all customers to whom electricity is supplied for residential or domestic purposes, consistent with each electric distribution utility's tariffs for residential service.
- (U) **Station Service** means electricity service provided to generating stations by an electric distribution utility at times when the generating station is not producing electricity for itself.
- (V) **VELCO** means Vermont Electric Power Company.

5.303 General Terms

- (A) The Energy Efficiency Charge shall be established at constant rates for 12 calendar months, beginning with bills rendered on or after February 1 of each year, with no proration, using the methodologies set out in Sections 5.305(E) through 5.305(G). However, for good cause, the Commission may change by Order the Energy Efficiency Charge rates during any 12-calendar-month period, after providing an opportunity for public comment.
- (B)(1) For the Electric EEC, all retail customers' electric bills shall be subject to, and shall be used in the calculation of, the Electric EEC, except bills for (1) service provided under generation displacement contracts to customers who do not receive energy efficiency services; (2) station service exempted by the Commission in its October 15, 2004, Order in Docket 6987; (3) service provided under any other special contracts specifically exempted by the Commission in its October 15, 2004, Order in Docket 6987, and successors to those contracts, if specifically exempted by the Commission at the time that such successor contracts are approved; (4) station service provided to the Kingdom Community Wind facility and the Jay Synchronous Condenser; and (5) any service specifically exempted by Commission Order, for good cause shown, with explicit reference to this rule.
- (2) The Electric EEC shall be applied in a volumetric manner to the gross electric consumption of each retail customer unless the application of the charge is expressly exempted by operation of law. For purposes of net-metering systems, as defined in 30 V.S.A. § 8002, gross electric consumption means the electricity a net-metering customer has consumed from the grid plus the electricity the customer consumed from the customer's net-metering system. If, as of the effective date of this rule, a net-metering customer does not have the equipment necessary for their distribution utility to determine their gross electric consumption, the customer shall pay a Fixed Monthly EEC, unless the customer chooses to install the equipment necessary for their distribution utility to determine their gross electric consumption, in which case the customer shall be charged the Electric EEC based upon the customer's gross consumption. The Fixed Monthly EEC shall be determined by rate class and shall be based upon the average statewide monthly consumption and demand for the previous year for the rate class times the Electric EEC rate for the year the rate is being implemented.
- (C) For the Natural Gas EEC, all retail customers' natural gas bills shall be subject to and used in the calculation of the Natural Gas EEC, except wholesale compressed natural gas customers served under Vermont Gas

Rates IS-CNG-T or IS-CNG-TR or other customers specifically exempted by the Commission or by statute.

- (D) Payment of the Energy Efficiency Charge by customers of a distribution utility is a requirement for service and is subject to applicable law and Commission rules, including those rules governing deposit and disconnection for non-payment.
- (E) The Energy Efficiency Charge shall be shown on at least a single line on bills sent by all distribution utilities to customers.
- (F) To the extent applicable to the Energy Efficiency Charge, each distribution utility shall bill and remit the sales tax on the Energy Efficiency Charge in the same manner as it otherwise bills and remits the sales tax.

5.304 Information Needed to Calculate the Energy Efficiency Charge Rates

- (A) The methodologies for calculating the Energy Efficiency Charge rates (set forth in Section 5.305) shall use information regarding the total amount to be collected in each EEU's service territory via the Energy Efficiency Charge for energy efficiency services. The total amount to be collected in each EEU's service territory is determined by the Commission in separate processes.
- (B) The methodologies for calculating the Electric EEC rates for electric distribution utilities shall use kWh and kW sales and revenue data from the most recent calendar year for which complete information is available or, as may be applicable, forecasts of sales and revenue data for at least the period during which the rates will be in effect in accordance with this rule. Some of this information shall be obtained from the FERC Form 1, each electric distribution utility, sales forecasts by Vermont Electric Power Company (VELCO) or each distribution utility, or the utilities' least-cost integrated plans under 30 V.S.A. § 218c. The specific information to be provided by the distribution utilities includes:
 - Total and forecasted Rate Revenues
 - Current and forecasted Rate Revenues from Residential Customers
 - Current and forecasted kWh Sales to and gross consumption by Residential Customers
 - Total and forecasted consumption from the most recent Least-Cost Integrated Plan
 - Total and forecasted consumption from Vermont Electric Power Company's (VELCO) most current published load forecast and any electric distribution utility updates thereto
 - Such other information as the Commission may deem necessary for the calculation of the Electric EEC

Additional kWh and kW sales and revenue data from the most recent calendar year for which complete information is available shall be provided by each electric distribution utility to the Commission, the Department, and the EEU serving its territory on or before August 1 of each calendar year, using the electronic filing format designated for this purpose by the EEU serving that utility's territory. The specific information to be provided by each electric distribution utility shall be:

- Rate Revenues from Residential Customers exempt from paying the Electric EEC, if any
- kWh Sales to and gross consumption by Residential Customers exempt from paying the Electric EEC, if any
- Rate Revenues from Commercial Customers exempt from paying the Electric EEC, if any
- kWh Sales to and gross consumption by Commercial Customers exempt from paying the Electric EEC, if any
- Rate Revenues from Industrial Customers exempt from paying the Electric EEC, if any
- kWh Sales to and gross consumption by Industrial Customers exempt from paying the Electric EEC, if any
- Rate Revenues from Commercial Customers
- kWh Sales to and gross consumption by Commercial Customers
- Energy Revenues from Demand-Billed Commercial Customers
- Demand Revenues from Demand-Billed Commercial Customers
- kWh Sales to and gross consumption by Demand-Billed Commercial Customers
- Billed Peak kW Sales to Demand-Billed Commercial Customers
- Rate Revenues from Industrial Customers
- kWh Sales to and gross consumption by Industrial Customers
- Energy Revenues from Demand-Billed Industrial Customers
- Demand Revenues from Demand-Billed Industrial Customers
- kWh Sales to and gross consumption by Demand-Billed Industrial Customers
- Billed Peak kW Sales to Demand-Billed Industrial Customers
- Electric EEC collections from Residential Customers
- Electric EEC collections from Commercial Customers
- Electric EEC collections from Demand-Billed Commercial Customers
- Electric EEC collections from Industrial Customers
- Electric EEC collections from Demand-Billed Industrial Customers
- Such other information as the Commission may deem necessary for the calculation of the Electric EEC

After provision of notice and opportunity to comment to the Department and the electric distribution utilities, the Commission may modify, in a

manner applicable to all electric distribution utilities, the foregoing list of information to be provided by those utilities.

- (C) The methodologies for calculating the Energy Efficiency Charge rates shall use information regarding utility uncollectible amounts related to the Energy Efficiency Charge. This information shall be provided by each distribution utility to the Commission, the Department, and the EEU serving its territory on or before August 1 of each calendar year, using the electronic filing format designated for this purpose by the EEU serving that utility's territory.
1. The specific information to be provided by each distribution utility shall be:
 - The actual amount of uncollectibles related to the Energy Efficiency Charge for the first six months of the current calendar year. In determining uncollectible amounts attributable to the Energy Efficiency Charge, a distribution utility may include, after exhausting reasonably available remedies, a partial non-payment of a bill by a customer, provided that the only portion of such non-payment attributed to the Energy Efficiency Charge is that amount determined by multiplying the partial non-payment by a fraction with the numerator consisting of the Energy Efficiency Charge amount on the bill and the denominator consisting of the total amount on the bill. If a utility's billing system does not allow the actual amount of non-payments attributed to the Energy Efficiency Charge to be easily determined, a utility may calculate the amount of uncollectible amounts attributed to the Energy Efficiency Charge by multiplying the utility's total amount of uncollectible amounts by a fraction with the numerator consisting of the utility's Energy Efficiency Charge billings and the denominator consisting of the utility's retail billings for the same time period.
 - A reasonable estimate of the uncollectibles related to the Energy Efficiency Charge for the remaining six months of the current calendar year.
 - A carrying charge for uncollectibles related to the Energy Efficiency Charge for the current calendar year. This charge shall be calculated by multiplying the uncollectibles related to the Energy Efficiency Charge for the current calendar year by either the distribution utility's Allowance for Funds Used During Construction rate or, if the distribution utility does not have such a rate, the distribution utility's short-term borrowing rate.
 2. The specific information to be provided by the EEUs shall be:
 - The difference between the prior year's estimates of the uncollectibles related to the Energy Efficiency Charge for the last

six months of the prior calendar year and the actual uncollectibles related to the Energy Efficiency Charge for that period. This difference shall be calculated by subtracting the prior year's estimate from the sum of the actual amounts provided by the distribution utilities when they requested reimbursement for their prior year's uncollectibles related to the Energy Efficiency Charge pursuant to Section 5.310. The result may be a positive or negative number.

- (D) The methodologies for calculating the Energy Efficiency Charge rates shall use information regarding previous over- and under-collections of the Energy Efficiency Charge as reported by the distribution utilities. The specific information to be provided by the EEUs shall be:
- Year 1: A reasonable estimate of over- or under-collections for the current calendar year for each rate class. Because of the lag between when the Energy Efficiency Charge is applied to billing determinants for distribution utilities and when the funds are received, collections for the current calendar year will actually occur from March of the current calendar year through February of the following calendar year. The estimate of over- or under-collections shall be determined based upon comparison of:
 - a) the sum of the actual collections for March through June of the current calendar year plus the EEU's estimates of the collections for July of the current calendar year through February of the following calendar year; and
 - b) the amount authorized to be collected via the Energy Efficiency Charge over the time period described in item (a) above.Over-collections occur when the estimate in item (a) above exceeds the amount authorized to be collected in item (b) above. Under-collections occur when the amount authorized to be collected in item (b) above exceeds the estimate in item (a).
 - Year 2: The difference between the prior year's estimate of the over- or under-collections for the prior calendar year and the actual over- or under-collections for that period for each rate class. This difference shall be calculated by subtracting the prior year's estimate for each rate class from the actual amount for each rate class. In these calculations, over-collections shall be positive numbers and under-collections shall be negative numbers. The result of the calculations may be positive or negative numbers.
- (E) For any second year following the end of an EEU's three-year budget, the methodologies for calculating the Energy Efficiency Charge rates shall use information regarding funds previously raised by the Energy Efficiency Charge that exceed the amount that the EEU has spent plus the amount that it has not spent but is obligated to pay. (These are referred to as

“Uncommitted Funds”; this term is precisely defined in Section 5.305(D)(20).) The Commission shall calculate the amount of Uncommitted Funds after the end of any year in which an EEU’s three-year budget ends pursuant to Section 5.305(E)(1).

- (F) In calculating the Natural Gas EEC rates, an EEU shall use the projected Mcf sales and revenue data from the most recent natural gas distribution utility’s rate filing, including natural gas cost adjustment filings. In the event such filing is more than six months old, the EEU may use a more recent forecast prepared using similar methodology. The specific information to be obtained from this filing shall be:
- Projected total annual Rate Revenues
 - Projected annual Rate Revenues by rate class
 - Projected annual Rate Revenues by rate class, from customers exempt from paying the Natural Gas EEC
 - Projected Ccf sales to each rate class
 - Projected Ccf sales to each rate class from customers exempt from paying the Natural Gas EEC

5.305 Calculation Methodology

- (A) The Electric EEC rates shall be calculated on a statewide basis, except for the service territory of BED.
- (B) The Energy Efficiency Charge shall be designed to raise the total amount to be collected for statewide energy efficiency services plus the additional amount of the gross revenue tax (30 V.S.A. § 22) and fuel gross receipts or “weatherization” tax (33 V.S.A. § 2503) applicable to the Energy Efficiency Charge, adjusted for (1) distribution utility uncollectibles associated with the Energy Efficiency Charge, and (2) over- or under collection of the Energy Efficiency Charge in prior years.
- (C) The Energy Efficiency Charge shall not be designed to raise, and shall not include, the sales and use tax (32 V.S.A. § 9771(2)).
- (D) The methodologies for calculating the Electric EEC rates for all electric distribution utilities’ service territories are detailed in Sections 5.305(E) and 5.305(F). The specific terms used in these methodologies shall have the following meanings for the purpose of this rule.
1. When **BED** is used immediately preceding another defined term, it means the defined term shall include only information related to BED’s service territory.

2. **BED Budget** means the total amount to be collected in BED's service territory via the Electric EEC for energy efficiency services, as determined by the Commission.
3. When **Commercial** is used in conjunction with another defined term, it means the defined term shall include only information related to Commercial Customers.
4. **Demand-Billed Billed Peak kW Sales** means the billed peak kW sales to demand-billed customers provided by electric distribution utilities pursuant to Section 5.304(B).
5. **Demand-Billed Demand Revenues** means the demand revenues from demand-billed customers provided by electric distribution utilities pursuant to Section 5.304(B).
6. **Demand-Billed Energy Revenues** means the energy revenues from demand-billed customers provided by electric distribution utilities pursuant to Section 5.304(B).
7. **Demand-Billed kWh Sales** means the kWh sales to demand-billed customers provided by electric distribution utilities pursuant to Section 5.304(B).
8. **Exempt Customer kWh Sales** means the sum of all kWh sales to customers exempted from paying the Electric EEC, as provided by all electric distribution utilities pursuant to Section 5.304(B).
9. When **Industrial** is used in conjunction with another defined term, it means the defined term shall include only information related to Industrial Customers.
10. **kWh Sales** means the kWh Sales provided by electric distribution utilities pursuant to Section 5.304(B).
11. **Light Size** means the nominal wattage of an unmetered street or security light.
12. **Over- or Under-Collections** means the sum of the bulleted items listed in Section 5.304(D) for electric distribution utilities. This may be a positive or negative number.
13. **Prior Year Total Budget** means the Total Budget that the Commission had previously determined should be collected in the prior year (as opposed to the next year). For example, the Electric

EEC rates for 2018 would be set in 2017. In that year, the Prior Year Total Budget would be the Total Budget for 2016, while the Total Budget referred to in the calculation methodologies would be the Total Budget for 2018.

14. **Rate Revenues** means the Rate Revenues provided by electric distribution utilities pursuant to Section 5.304(B).
15. When **Residential** is used in conjunction with another defined term, it means the defined term shall include only information related to Residential Customers.
16. When **Statewide** is used immediately preceding another defined term, it means the other defined term shall include information related to all electric distribution utilities.
17. **Total Budget** means the total amount to be collected statewide via the Electric EEC for energy efficiency services in the year for which the Electric EEC for electric distribution utilities is being set, as determined by the Commission. This amount includes funds for support of the statewide electric EEU as well as BED's EEU budget, the independent audit of the EEU Fund, the Department's electric EEU evaluation activities, the cost of publishing an annual newspaper notice regarding the new Electric EEC rates (see Section 5.308(B)), and such other costs as the Commission may approve. This amount does not include funds for payment of the gross revenue tax (30 V.S.A. § 22) and the fuel gross receipts or "weatherization" tax (33 V.S.A. § 2503) applicable to the Electric EEC. This amount also does not include funds needed to "true-up" prior year Electric EEC over- or under-collections, or prior year electric distribution utility uncollectible amounts related to the Electric EEC.
18. **Total Rate Revenues** means the Total Rate Revenues provided by electric distribution utilities pursuant to Section 5.304(B).
19. **Uncollectibles** means the sum of the bulleted items listed in Sections 5.304(C)(1) and 5.304(C)(2) for electric distribution utilities.
20. For any second year following the end of an EEU's three-year budget, **Uncommitted Funds** means the amount raised by the Energy Efficiency Charge that, as of the end of the calendar year in which the EEU's three-year budget ends, exceeds the amount that the EEU has spent plus the amount that it has not spent but is obligated to pay. The term excludes amounts raised by the Energy Efficiency Charge that are, as of that given date, encumbered under the Customer Credit

Program or are necessary to pay obligations relating to any fiscal agent, the Department's EEU evaluation activities, gross revenue taxes (30 V.S.A. § 22), or fuel gross receipts or "weatherization" taxes (33 V.S.A. § 2503). For all other years, Uncommitted Funds shall be equal to zero.

- (E) The Electric EEC statewide rates for electric distribution utilities shall be calculated using the following steps. These rates shall apply in the service territories of all electric distribution utilities except BED. The terms used in this subsection are defined in Section 5.305(D), above.

The Electric EEC statewide rates may, based on data collected by the statewide electric EEU, be calculated using historic or forecasted electric distribution utility billing determinants, and total revenue requirements for the period during which the rates will be in effect. Where a step involves the use of reported data, forecasted data for the period during which the rates will be in effect in accordance with this rule may be used.

1.
 - a. For any year following the end of an EEU's three-year budget:

If Uncommitted Funds < 0.05 * Prior Year Total Budget, then Budget Credit shall be determined by the Commission in a separate process

If Uncommitted Funds > 0.05 * Prior Year Total Budget, then Budget Credit = Uncommitted Funds
 - b. For all other years, Budget Credit = 0
2. Electric EEU Total Budget - BED Budget + (Electric Statewide Uncollectibles - BED Uncollectibles) - Budget Credit = Amount to be Allocated
3.
 - a. $(\text{Statewide Residential Electric Rate Revenues} - \text{Dollar Value of Exempt Residential Deliveries}) / (\text{Statewide Total Electric Rate Revenues} - \text{Dollar Value of Exempt Residential, Commercial, and Industrial Electric Deliveries}) = \text{Statewide Residential Electric Revenue Percent}$
 - b. $(\text{Statewide Commercial Electric Rate Revenues} - \text{Dollar Value of Exempt Commercial Deliveries}) / (\text{Statewide Total Electric Rate Revenues} - \text{Dollar Value of Exempt Residential, Commercial, and Industrial Electric Deliveries}) = \text{Statewide Commercial Electric Revenue Percent}$

- c. $(\text{Statewide Industrial Electric Rate Revenues} - \text{Dollar Value of Exempt Industrial Deliveries}) / (\text{Statewide Total Electric Rate Revenues} - \text{Dollar Value of Exempt Residential, Commercial, and Industrial Electric Deliveries}) = \text{Statewide Industrial Electric Revenue Percent}$
4.
 - a. $(\text{Amount to be Allocated} * \text{Statewide Residential Electric Revenue Percent}) - (\text{Statewide Residential Electric Over- or Under-Collections} - \text{BED Residential Over- or Under-Collections}) = \text{Statewide Residential Electric Collection Amount}$
 - b. $(\text{Amount to be Allocated} * \text{Statewide Commercial Electric Revenue Percent}) - (\text{Statewide Commercial Electric Over- or Under-Collections} - \text{BED Commercial Over- or Under-Collections}) = \text{Statewide Commercial Electric Collection Amount}$
 - c. $(\text{Amount to be Allocated} * \text{Statewide Industrial Electric Revenue Percent}) - (\text{Statewide Industrial Electric Over- or Under-Collections} - \text{BED Industrial Over- or Under-Collections}) = \text{Statewide Industrial Electric Collection Amount}$
5.
 - a. $\text{Statewide Residential Electric Collection Amount} / (\text{Statewide Residential kWh Sales} - (\text{Exempt Residential Customer kWh Sales} + \text{Exempt Residential kWh Deliveries} + \text{BED Residential kWh Sales})) = \text{Statewide Residential kWh Rate}$
 - b. $\text{Statewide Commercial Electric Collection Amount} / (\text{Statewide Commercial kWh Sales} - (\text{Exempt Commercial Customer kWh Sales} + \text{Exempt Commercial kWh Deliveries} + \text{BED Commercial kWh Sales})) = \text{Statewide Commercial kWh Rate}$
 - c. $\text{Statewide Industrial Electric Collection Amount} / (\text{Statewide Industrial kWh Sales} - (\text{Exempt Industrial Customer kWh Sales} + \text{Exempt Industrial kWh Deliveries} + \text{BED Industrial kWh Sales})) = \text{Statewide Industrial kWh Rate}$
6.
 - a. $\text{Statewide Commercial Electric Demand-Billed Energy Revenues} / (\text{Statewide Commercial Electric Demand-Billed Energy Revenues} + \text{Statewide Commercial Electric Demand-Billed Demand Revenues}) = \text{Statewide Commercial Electric Demand-Billed Energy Revenue Percent}$

- b. $1 - \text{Statewide Commercial Electric Demand-Billed Energy Revenue Percent} = \text{Statewide Commercial Electric Demand-Billed Demand Revenue Percent}$
 - c. $\text{Statewide Industrial Electric Demand-Billed Energy Revenues} / (\text{Statewide Industrial Electric Demand-Billed Energy Revenues} + \text{Statewide Industrial Electric Demand-Billed Demand Revenues}) = \text{Statewide Industrial Electric Demand-Billed Energy Revenue Percent}$
 - d. $1 - \text{Statewide Industrial Electric Demand-Billed Energy Revenue Percent} = \text{Statewide Industrial Electric Demand-Billed Demand Revenue Percent}$
- 7.
- a. $(\text{Statewide Commercial Demand-Billed kWh Sales} - \text{BED Commercial Demand-Billed kWh Sales}) * \text{Statewide Commercial kWh Rate} = \text{Statewide Commercial Electric Demand-Billed Collection Amount}$
 - b. $(\text{Statewide Industrial Demand-Billed kWh Sales} - \text{BED Industrial Demand-Billed kWh Sales}) * \text{Statewide Industrial kWh Rate} = \text{Statewide Industrial Electric Demand-Billed Collection Amount}$
- 8.
- a. $(\text{Statewide Commercial Electric Demand-Billed Collection Amount} * \text{Statewide Commercial Electric Demand-Billed Energy Revenue Percent}) / (\text{Statewide Commercial Demand-Billed kWh Sales} - \text{BED Commercial Demand-Billed kWh Sales}) = \text{Statewide Commercial Demand-Billed kWh Rate}$
 - b. $(\text{Statewide Commercial Electric Demand-Billed Collection Amount} * \text{Statewide Commercial Electric Demand-Billed Demand Revenue Percent}) / (\text{Statewide Commercial Demand-Billed Billed Peak kW Sales} - \text{BED Commercial Demand-Billed Billed Peak kW Sales}) = \text{Statewide Commercial Demand-Billed kW Rate}$
 - c. $(\text{Statewide Industrial Electric Demand-Billed Collection Amount} * \text{Statewide Industrial Electric Demand-Billed Energy Revenue Percent}) / (\text{Statewide Industrial Demand-Billed kWh Sales} - \text{BED Industrial Demand-Billed kWh Sales}) = \text{Statewide Industrial Demand-Billed kWh Rate}$
 - d. $(\text{Statewide Industrial Electric Demand-Billed Collection Amount} * \text{Statewide Industrial Electric Demand-Billed Demand Revenue Percent}) / (\text{Statewide Industrial Demand-Billed Billed Peak kW Sales} -$

$$\text{BED Industrial Demand-Billed Billed Peak kW Sales) = Statewide Industrial Demand-Billed kW Rate}$$

9. Statewide Commercial kWh Rate * Light Size * 360 hours per month = Statewide Unmetered Street and Security Light Monthly Rate. An electric distribution utility may petition the Commission for approval to use the total wattage of the light and an alternative number of hours per month when performing this calculation.
 10.
 - a.
$$\text{Statewide Residential kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Residential kWh Rate}$$
 - b.
$$\text{Statewide Commercial kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Commercial kWh Rate}$$
 - c.
$$\text{Statewide Commercial Demand-Billed kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Commercial Demand-Billed kWh Rate}$$
 - d.
$$\text{Statewide Commercial Demand-Billed kW Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Commercial Demand-Billed kW Rate}$$
 - e.
$$\text{Statewide Industrial kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Industrial kWh Rate}$$
 - f.
$$\text{Statewide Industrial Demand-Billed kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Industrial Demand-Billed kWh Rate}$$
 - g.
$$\text{Statewide Industrial Demand-Billed kW Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Industrial Demand-Billed kW Rate}$$
 - h.
$$\text{Statewide Unmetered Street and Security Light Monthly Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Statewide Unmetered Street and Security Light Monthly Rate}$$
- (F) The Electric EEC rates for BED's service territory shall be calculated using essentially the same methodology as that listed in Section 5.305(E), except that all inputs shall be specific to BED's service territory. As a result, the Electric EEC rate for BED's service territory shall be calculated using the following steps. The terms used in this subsection are defined in Section 5.305(D), above.

1. $\text{BED Budget} + \text{BED Uncollectibles} = \text{BED Amount to be Allocated}$
2.
 - a. $\text{BED Residential Rate Revenues} / \text{BED Total Rate Revenues} = \text{BED Residential Revenue Percent}$
 - b. $\text{BED Commercial Rate Revenues} / \text{BED Total Rate Revenues} = \text{BED Commercial Revenue Percent}$
 - c. $\text{BED Industrial Rate Revenues} / \text{BED Total Rate Revenues} = \text{BED Industrial Revenue Percent}$
3.
 - a. $(\text{BED Amount to be Allocated} * \text{BED Residential Revenue Percent}) - \text{BED Residential Over- or Under-Collections} = \text{BED Residential Collection Amount}$
 - b. $(\text{BED Amount to be Allocated} * \text{BED Commercial Revenue Percent}) - \text{BED Commercial Over- or Under-Collections} = \text{BED Commercial Collection Amount}$
 - c. $(\text{BED Amount to be Allocated} * \text{BED Industrial Revenue Percent}) - \text{BED Industrial Over- or Under-Collections} = \text{BED Industrial Collection Amount}$
4.
 - a. $\text{BED Residential Collection Amount} / (\text{BED Residential kWh Sales} - \text{BED Exempt Residential Customer kWh Sales}) = \text{BED Residential kWh Rate}$
 - b. $\text{BED Commercial Collection Amount} / (\text{BED Commercial kWh Sales} - \text{BED Exempt Commercial Customer kWh Sales}) = \text{BED Commercial kWh Rate}$
5.
 - a. $\text{BED Commercial Demand-Billed Energy Revenues} / (\text{BED Commercial Demand-Billed Energy Revenues} + \text{BED Commercial Demand-Billed Demand Revenues}) = \text{BED Commercial Demand-Billed Energy Revenue Percent}$
 - b. $1 - \text{BED Commercial Demand-Billed Energy Revenue Percent} = \text{BED Commercial Demand-Billed Demand Revenue Percent}$
 - c. $\text{BED Industrial Demand-Billed Energy Revenues} / (\text{BED Industrial Demand-Billed Energy Revenues} + \text{BED Industrial Demand-Billed Demand Revenues}) = \text{BED Industrial Demand-Billed Demand Revenue Percent}$

Demand Revenues) = BED Industrial Demand-Billed Energy Revenue Percent

- d. $1 - \text{BED Industrial Demand-Billed Energy Revenue Percent} = \text{BED Industrial Demand-Billed Demand Revenue Percent}$
6.
 - a. $\text{BED Commercial Demand-Billed kWh Sales} * \text{BED Commercial kWh Rate} = \text{BED Commercial Demand-Billed Collection Amount}$
 - b. $\text{BED Industrial Demand-Billed kWh Sales} * \text{BED Industrial kWh Rate} = \text{BED Industrial Demand-Billed Collection Amount}$
7.
 - a. $(\text{BED Commercial Demand-Billed Collection Amount} * \text{BED Commercial Demand-Billed Energy Revenue Percent}) / \text{BED Commercial Demand-Billed kWh Sales} = \text{BED Commercial Demand-Billed kWh Rate}$
 - b. $(\text{BED Commercial Demand-Billed Collection Amount} * \text{BED Commercial Demand-Billed Demand Revenue Percent}) / \text{BED Commercial Demand-Billed Billed Peak kW Sales} = \text{BED Commercial Demand-Billed kW Rate}$
 - c. $(\text{BED Industrial Demand-Billed Collection Amount} * \text{BED Industrial Demand-Billed Energy Revenue Percent}) / \text{BED Industrial Demand-Billed kWh Sales} = \text{BED Industrial Demand-Billed kWh Rate}$
 - d. $(\text{BED Industrial Demand-Billed Collection Amount} * \text{BED Industrial Demand-Billed Demand Revenue Percent}) / \text{BED Industrial Demand-Billed Billed Peak kW Sales} = \text{BED Industrial Demand-Billed kW Rate}$
8. $\text{BED Commercial kWh Rate} * \text{Light Size} * 354 \text{ hours per month} = \text{BED Unmetered Street and Security Light Monthly Rate}$
9.
 - a. $\text{BED Residential kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Residential kWh Rate}$
 - b. $\text{BED Commercial kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Commercial kWh Rate}$
 - c. $\text{BED Commercial Demand-Billed kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Commercial Demand-Billed kWh Rate}$

- d. $\text{BED Commercial Demand-Billed kW Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Commercial Demand-Billed kW Rate}$
 - e. $\text{BED Industrial Demand-Billed kWh Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Industrial Demand-Billed kWh Rate}$
 - f. $\text{BED Industrial Demand-Billed kW Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED Industrial Demand-Billed kW Rate}$
 - g. $\text{BED Unmetered Street and Security Light Monthly Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final BED metered Street and Security Light Monthly Rate}$
- (G) The Natural Gas EEC shall be calculated using the following steps and adjusted for the net effect of Natural Gas EEC uncollectibles and over- or under-collection of the Natural Gas EEC in prior years.

1. Each Rate Class

- a. $(\text{Total Rate Class Revenues} - \text{Total Revenue of Exempt Customers}) / (\text{Total Rate Revenues} - \text{Dollar Value of Total Exempt Customer Rate Revenue}) = \text{Rate Class Revenue Percent}$
- b. $(\text{Rate Class Revenue Percent} * \text{Total Natural Gas EEU Fund}) = \text{Rate Class Collection Amount}$
- c. $\text{Rate Class Collection Amount} / (\text{Rate Class Ccf Sales} - \text{Exempt Rate Class Ccf Sales}) = \text{Rate Class Ccf Rate}$
- d. $\text{Rate Class Ccf Rate} / (1 - \text{Applicable Gross Receipts Taxes}) = \text{Final Rate Class Ccf Rate}$

2. For customers in the Low-Income Assistance Program (LIAP), the Natural Gas EEC shall be calculated as the Residential Rate Class Ccf Rate * 0.8

5.306 Performance of Annual Calculation

- (A) By October 1 of each calendar year, an EEU shall provide the Commission its calculation of the Electric EEC or Natural Gas EEC rates to be effective with bills rendered on and after the following February 1, unless the EEU complies with Section 5.306(B). Any such calculation shall use the inputs specified in Section 5.304 and the methodologies specified in Sections 5.305(E), 5.305(F), and 5.305(G). The Commission shall review the calculations and, by November 1, announce its decision

regarding the final Electric EEC and Natural Gas EEC rates to be effective with bills rendered on and after the following February 1.

- (B) An EEU may propose calculating the Energy Efficiency Charge using alternative methodologies. If the EEU proposes alternative methodologies to calculate the Energy Efficiency Charge, the EEU shall provide the Department and the Commission with two calculations of the Energy Efficiency Charge by September 1 of the calendar year. The first calculation shall use the methodologies established by this rule under Sections 5.305(E), 5.305(F), and 5.305(G), as applicable, and the second calculation shall use the proposed alternative methodologies. The EEU shall include an explanation of the proposed alternative methodologies, the formulas used to calculate the Energy Efficiency Charge under the alternative methodologies, the reason for proposing the alternative methodologies, and the effects of the alternative methodologies on ratepayers. Any questions about the proposed alternative methodologies shall be filed by September 15 and comments by September 30. The Commission shall review these calculations and, by November 1 of each calendar year or as soon thereafter as possible, shall announce its decision regarding the final Electric EEC and Natural Gas EEC rates to be effective with bills rendered on and after the following February 1.

5.307 **Decimal Places**

- (A) All final Electric EEC kWh rates shall be calculated to five decimal places, and all final Electric EEC kW rates shall be calculated to four decimal places. All final Natural Gas EEC Ccf rates shall be calculated to four decimal places.
- (B) Notwithstanding Section 5.307(A), if an electric distribution utility's billing system cannot accommodate the required number of decimal places, it may calculate the energy or demand rates using as many decimal places as its billing system can use, up to the required number. Any rounding shall be done by rounding numbers 1 through 4 down, and 5 through 9 up.

5.308 **Customer Notice**

- (A) Annually, in December billing cycles, each distribution utility shall publish notice to customers, through a bill insert, message on the bill directing customers to a specific page on the EEU's website identifying the rates, or newsletter, of the Electric EEC or Natural Gas EEC rates, whichever is applicable, that will take effect with bills rendered on or after February 1 of the following year, in such form as the Commission approves. If, however, a distribution utility uses postcard or "printed through the envelope" billing and therefore is unable to provide a bill insert, message on the bill, or newsletter, the distribution utility shall

provide notice to customers of the Electric EEC or Natural Gas EEC rates, whichever is applicable, that will take effect with bills rendered on or after February 1 of the following year in such form as the Commission approves. If a distribution utility uses an identical form to that approved by the Commission in a prior year, except for the actual amounts of the Electric EEC or Natural Gas EEC rates and the effective date of the new rates, it shall not be necessary for the utility to obtain the Commission's approval for the new notice.

Each distribution utility may request approval from the Department for reimbursement from the EEU Fund for the incremental cost of adding the notice to a bill insert or newsletter that otherwise would be issued to its customers, or, if the distribution utility is unable to provide a bill insert or newsletter, the distribution utility may request reimbursement from the Department for the incremental cost of the form of notice approved by the Commission. Any requests for reimbursement must be received by the Department by February 20 of the year in which the new Energy Efficiency Charge rates will take effect.

- (B) In December of each year, the Commission may, at its discretion, publish a newspaper notice stating the Energy Efficiency Charge rates that will take effect with bills rendered on or after February 1 of the following year, and such other matters as the Commission may deem appropriate. Publishing the newspaper notice will be paid for by funds collected via the Energy Efficiency Charge.

5.309 Payment of the Energy Efficiency Charge

- (A) Each distribution utility shall remit to the EEU Fund the total amount of the Electric EEC or Natural Gas EEC, whichever is applicable, billed to customers no later than 23 days after the end of the billing month. By the same date, each distribution utility shall also provide the respective EEU, the manager of the EEU Fund, and any other entity required by the Commission with documentation supporting its calculation of the total amount of the Electric EEC or Natural Gas EEC billed to customers for the relevant billing month.

5.310 Reimbursement to Distribution Utilities for Uncollectible Amounts Related to the Energy Efficiency Charge

- (A) On or before February 20 of each calendar year, any distribution utility seeking reimbursement for uncollectible amounts related to the prior year's Electric EEC or Natural Gas EEC shall submit an invoice to the Department setting forth the amounts calculated in accordance with 5.304(C), except that the distribution utility shall substitute actual uncollectibles for any estimates used in the 5.304(C) calculation.

- (B) On or before March 1 of each calendar year, each distribution utility that submitted an invoice pursuant to Section 5.310(A) shall be paid the total Electric EEC or Natural Gas EEC uncollectible amount for the distribution utility's service territory in the prior calendar year.

5.311 Effective Date

- (A) Except for Section 5.303(B)(2) and the use of the phrase "and gross consumption by" in Section 5.304(B), this rule shall take effect on August 26, 2019.
- (B) Section 5.303(B)(2) and the use of the phrase "and gross consumption by" in Section 5.304(B) shall take effect on July 1, 2021.